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Chile Increasingly Blames 'International Conspiracy'

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SANTIAGO, Chile, March 16—As Chile's economic and political difficulties sharpen, the Government and the Marxist parties that support it are increasingly blaming "an international conspiracy" for their problems.

After statements in the pro-Government press charged a "seditious plot," President Salvador Allende Gossens said Sunday in a speech that he would tell the country in a few days about "the conspiracy not only against the Government, but against Chile."

El Siglo, the newspaper of the Chilean Communist party, which forms part of the Government, charges almost daily that the "plot" against the Government is organized by "North American imperialism" through agents of the United States Central Intelligence Agency.

Copper a Sensitive Sector

The emphasis on an "external enemy" in the official statements and Marxist press is of growing concern to Americans here, who fear that Dr. Allende's stated policy of maintaining good relations with the United States is under pressure from circumstances and radical elements.

Criticism by Government spokesmen has focused on the sensitive area of copper, the economic sector in which United States private investment is heaviest, totaling more than $700-million.

Since Dr. Allende sent to Congress a constitutional change under which the copper industry will be nationalized, production at the major mines has been falling short of scheduled levels.

The Minister of Mines, Orlando Cantuarias, has said that official investigators sent to mines under American management found that "badly conceived technical plans" and poor mining practices, designed to remove high-grade ore without regard for long-term output, were causing the decline in production.

Industry sources attribute the declines to technical breakdowns with new equipment, labor problems and the loss of nearly 300 managers and engineers, both foreigners and Chileans, in the four months since Dr. Allende took office.

Government is Rebuffed

This drain has taken place despite Government efforts to persuade mining officials to remain. But constant political attacks on the mine management by the radical press and some fear among families living at the isolated mines have contributed to departures.

An example is the production decline at El Teniente mine, which is under a management contract with the Kennecott Copper Corporation. Production in January was 12,900 metric tons, compared with a scheduled production of 20,000 tons.

Jaime Faivoich, general counsel of the Chilean State Copper Corporation, which holds a 51 per cent interest in El Teniente and other major mines, denounced on television last night the "incompetent management" of Robert W. Haldeman, the American executive who has developed the Teniente operation over the last 20 years.

Under existing contracts, Chile must retain Kennecotts management services until El Teniente pays an $8-million debt to Kennecott and a similar obligation to the Export-Import Bank, a United States Government institution.

Production problems have also developed at the Chuquicamata and El Salvador mines, which are joint ventures with the Anaconda Mining Company. With the exodus of foreign personnel, these mines are now entirely under Chilean management.

With the copper situation becoming an issue in the campaign for municipal elections next month, the Government has given much publicity to an attempt by an obscure international commercial group, Internordia Finance of Zurich, Switzerland, to buy almost a million tons of copper over 4 to 10 years from the Chilean Copper Corporation, which is responsible for foreign sales.

Seven members of the Internordia group, including one United States citizen, are in jail here on charges of having violated Chile's "economic security" by offering to sell in Europe and the United States copper to which they had not yet obtained legal possession.

Letter Is Cited

El Siglo has identified the United States citizen, Howard C. Edwards of Hollywood, Fla., as an "agent of the C.I.A." The charge is based on a credit reference letter, carried by Mr. Edwards in his wallet, that identified him as a former Air Force major in the intelligence field and as a veteran of the Bay of Pigs invasion of Cuba in 1961, which had United States support.

Mr. Edwards is under indictment in Fort Lauderdale, Fla., for conspiracy to commit fraud, according to the United States Embassy here.

It added that the Florida state attorney's office has on file a deposition by a former employe of a retail credit company who says he agreed to falsify Mr. Edwards's credit rating file and that the letter Mr. Edwards was carrying here was dictated by him as part of a ruse to obtain a favorable credit standing.

The members of the Internordia group under arrest are being held incommunicado under court orders. [United Press International reported Tuesday that Mr. Edwards was said to be suffering from "a cardiac infection" and was receiving medical treatment in the Santiago prison.]

Meanwhile, the opposition Christian Democratic party has charged through its president, Senator Narciso Irureta, that the copper deal here included an offer by the group to pay kickbacks from $2 to $7 a ton to unidentified Government copper officials.

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